

INNO-TECH HOLDINGS LIMITED

匯創控股有限公司

Interim Report 14/15

(Incorporated in Bermuda with Limited Liability)
(Stock code: 8202)

INNO-TECH



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HOLDINGS LIMITED
匯創控股有限公司

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CORPORATE INFORMATION

Board of Directors

Mr. Ang Wing Fung
Mr. Ha Chuen Yeung
(appointed on 1 December 2014)
Mr. Lau King Hang
(appointed on 16 March 2015)
Mr. Shih Yau Ting, Jackson
(resigned on 14 January 2015)
Mr. Chen Chuan
(resigned on 23 January 2015)
Mr. Lee Ho Yiu, Thomas*
Mr. Tse Yuen Ming*
(appointed on 13 November 2014)
Dr. Chan Yiu Wing*
(appointed on 16 March 2015)
Ms. Liu Jianyi*
(appointed on 16 March 2015)
Mrs. Kwan Leung, Anna*
(resigned on 13 November 2014)
Ms. Lu Di*
(resigned on 15 January 2015)

* Independent non-executive Director

Compliance Officer

Mr. Ha Chuen Yeung
(appointed on 23 January 2015)
Mr. Chen Chuan
(resigned on 23 January 2015)

Authorised Representatives

Mr. Ang Wing Fung
Mr. Ha Chuen Yeung
(appointed on 23 January 2015)
Mr. Chen Chuan
(resigned on 23 January 2015)

Company Secretary

Mr. Chiang Chi Kin, Stephen

Audit Committee Members

Mr. Lee Ho Yiu, Thomas *(Chairman)*
Mr. Tse Yuen Ming
(appointed on 13 November 2014)
Dr. Chan Yiu Wing
(appointed on 16 March 2015)
Ms. Liu Jianyi
(appointed on 16 March 2015)
Mrs. Kwan Leung, Anna
(resigned on 13 November 2014)
Ms. Lu Di
(resigned on 15 January 2015)

Remuneration Committee Members

Dr. Chan Yiu Wing *(Chairman)*
(appointed on 16 March 2015)
Mr. Lee Ho Yiu, Thomas
Mr. Lau King Hang
(appointed on 16 March 2015)
Ms. Liu Jianyi
(appointed on 16 March 2015)
Ms. Lu Di
(resigned on 15 January 2015)
Mr. Ang Wing Fung
(resigned on 16 March 2015)

Nomination Committee Members

Ms. Liu Jianyi *(Chairman)*
(appointed on 16 March 2015)
Mr. Lee Ho Yiu, Thomas
Mr. Tse Yuen Ming
(appointed on 13 November 2014)
Dr. Chan Yiu Wing
(appointed on 16 March 2015)
Mr. Lau King Hang
(appointed on 16 March 2015)
Mrs. Kwan Leung, Anna
(resigned on 13 November 2014)
Mr. Chen Chuan
(resigned on 15 January 2015)

Auditors

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Legal Adviser to the Company

Lam & Co Solicitors *(as to Hong Kong Laws)*
Troutman Sanders *(as to Hong Kong Laws)*
Tang, Tso & Lau Solicitors
(as to Hong Kong Laws)

Principal Banker

Dah Sing Bank Limited

Registered Office

Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

Head Office and Principal Place of Business

Room 606, 6th Floor
MassMutual Tower
38 Gloucester Road
Wanchai, Hong Kong

Hong Kong Branch Share Registrars and Transfer Office

Computershare Hong Kong Investor
Services Limited
46th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

Company Website

<http://www.it-holdings.com.hk>

Principal Share Registrars and Transfer Office

Codan Services Limited
Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

GEM Stock Code

8202

HIGHLIGHTS

- Revenue for the six months ended 31 December 2014 amounted to approximately HK\$19,611,000, representing a decrease of approximately 38.7% as compared to amount reported in the corresponding period in 2013.
- Loss from continuing operations attributable to equity holders amounted to approximately HK\$33,703,000 for the six months ended 31 December 2014.
- Basic loss per share from continuing operations amounted to HK\$0.11 for the six months ended 31 December 2014.
- The Board did not recommend the payment of a dividend for the six months ended 31 December 2014.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 31 December 2014

The board of directors (“Board”) of Inno-Tech Holdings Limited (“Company”) are pleased to announce the unaudited consolidated results of the Company and its subsidiaries (“Group”) for the six months ended 31 December 2014 as follow:–

| | Notes | Unaudited three months ended 31 December | | Unaudited six months ended 31 December | |
|--------------------------------------------------------------------------------------|-------|------------------------------------------------|--------------------------------|----------------------------------------------|--------------------------------|
| | | 2014 HK\$'000 | 2013 HK\$'000 (restated) | 2014 HK\$'000 | 2013 HK\$'000 (restated) |
| Turnover | 3 | 10,473 | 16,207 | 19,611 | 31,978 |
| Cost of sales | | (19,250) | (20,501) | (37,004) | (40,728) |
| Gross loss | | (8,777) | (4,294) | (17,393) | (8,750) |
| Other revenue and net income | | 6,913 | 3,046 | 8,130 | 3,502 |
| Marketing and promotion expenses | | (2,695) | (513) | (3,256) | (885) |
| Administrative expenses | | (4,597) | (7,572) | (10,792) | (11,412) |
| Finance costs | | (6,743) | (11,836) | (16,844) | (23,402) |
| Changes in fair value of financial assets at fair value through profit or loss | | 1 | 2 | 1 | 2 |
| Loss before income tax | 4 | (15,898) | (21,167) | (40,154) | (40,945) |
| Income tax | 5 | 3,011 | 2,432 | 6,451 | 6,090 |
| Loss for the period from continuing operations | | (12,887) | (18,735) | (33,703) | (34,855) |
| Discontinued operations | | | | | |
| Profit/(loss) for the period from discontinued operations | 6 | 205,694 | (22,375) | 201,745 | (23,765) |
| Profit/(loss) for the period | | 192,807 | (41,110) | 168,042 | (58,620) |
| Profit/(loss) for the period attributable to: | | | | | |
| Owners of the Company | | 186,683 | (32,093) | 163,702 | (49,730) |
| Non-controlling interests | | 6,124 | (9,017) | 4,340 | (8,890) |
| | | 192,807 | (41,110) | 168,042 | (58,620) |
| Earning/(loss) per share attributable to owners of the Company | | | | | |
| From continuing and discontinued operations | | | | | |
| – Basic and diluted | 7 | 0.54 | (0.47) | 0.53 | (0.82) |
| From continuing operations | | | | | |
| – Basic and diluted | 7 | (0.04) | (0.27) | (0.11) | (0.57) |

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2014

| | Unaudited three months ended 31 December | | Unaudited six months ended 31 December | |
|--------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|------------------|----------------------------------------------|------------------|
| | 2014 HK\$'000 | 2013 HK\$'000 | 2014 HK\$'000 | 2013 HK\$'000 |
| Profit/(loss) for the period | 192,807 | (41,110) | 168,042 | (58,620) |
| Other comprehensive income/(loss) | | | | |
| Exchange difference arising on translation of financial statements of overseas subsidiaries | (586) | (387) | (397) | (627) |
| Reclassification adjustment for realisation of exchange difference transferred to profit or loss upon disposal of subsidiaries | 391 | – | 391 | – |
| Total comprehensive income/(loss) for the period | 192,612 | (41,497) | 168,036 | (59,247) |
| Total comprehensive income/(loss) attributable to: | | | | |
| Owners of the Company | 186,496 | (32,347) | 163,697 | (50,224) |
| Non-controlling interests | 6,116 | (9,150) | 4,339 | (9,023) |
| | 192,612 | (41,497) | 168,036 | (59,247) |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

| | Notes | Unaudited 31 December 2014 HK\$'000 | Audited 30 June 2014 HK\$'000 |
|-------------------------------------------------------------------------|-------|----------------------------------------------|----------------------------------------|
| Non-current assets | | | |
| Property, plant and equipment | 9 | 1,024 | 1,167 |
| Intangible assets | 10 | 188,068 | 205,789 |
| Goodwill | 11 | 3,527 | 3,527 |
| | | 192,619 | 210,483 |
| Current assets | | | |
| Deposit for acquisition of subsidiaries | 12 | 15,000 | – |
| Financial assets at fair value through profit or loss | 13 | 41 | 42 |
| Accounts receivable | 14 | 1,543 | 3,130 |
| Prepayments, deposits and other receivables | 15 | 33,813 | 7,874 |
| Tax recoverable | | 104 | 220 |
| Cash and cash equivalents | | 21,937 | 1,704 |
| | | 72,438 | 12,970 |
| Assets classified as held for sale | 16 | – | 107,368 |
| | | 72,438 | 120,338 |
| Current liabilities | | | |
| Trade payables, accrued expenses and other payables | 17 | 27,917 | 42,647 |
| Purchase consideration payable | | 196 | 196 |
| Borrowings | 18 | 11,000 | 20,400 |
| Convertible notes | 19 | – | 36,296 |
| Derivative financial liabilities | 19 | – | 5 |
| Promissory notes | 20 | 118,000 | 158,913 |
| Tax payable | | 17,041 | 16,888 |
| | | 174,154 | 275,345 |
| Liabilities directly associated with assets classified as held for sale | 16 | – | 320,799 |
| | | 174,154 | 596,144 |
| Net current liabilities | | (101,716) | (475,806) |
| Total assets less current liabilities | | 90,903 | (265,323) |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2014

| | Notes | Unaudited 31 December 2014 HK\$'000 | Audited 30 June 2014 HK\$'000 |
|----------------------------------------------|-------|----------------------------------------------|----------------------------------------|
| Non-current liabilities | | | |
| Convertible notes | 19 | – | 693,458 |
| Deferred taxation | | 47,017 | 55,591 |
| | | 47,017 | 749,049 |
| NET ASSETS/(LIABILITIES) | | 43,886 | (1,014,372) |
| EQUITY | | | |
| Share capital | 21 | 79,625 | 2,701 |
| Reserves | | (35,739) | (1,006,515) |
| Equity attributable to owners of the Company | | 43,886 | (1,003,814) |
| Non-controlling interests | | – | (10,558) |
| TOTAL EQUITY | | 43,886 | (1,014,372) |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2014

| | Attributable to owners of the Company | | | | | | | | | | | |
|------------------------------------------------------------------------------------|---------------------------------------|---------------------------|-----------------------------------|---------------------------------------|---------------------------------|----------------------------------------|------------------------------|----------------------------|--------------------------------|---------------------------------------------------|--------------------------------------|-------------------|
| | Share capital HK\$'000 | Share premium HK\$'000 | Share options reserve HK\$'000 | Convertible notes reserve HK\$'000 | Contributed surplus HK\$'000 | Capital redemption reserve HK\$'000 | Exchange reserve HK\$'000 | Other reserves HK\$'000 | Accumulated losses HK\$'000 | Attributable to owners of the Company HK\$'000 | Non-controlling interest HK\$'000 | Total HK\$'000 |
| At 1 July 2013 | 1,540 | 669,059 | 38,714 | 10,084 | 52,959 | 43 | (935) | - | (1,673,566) | (902,102) | (3,927) | (906,029) |
| Loss for the period | - | - | - | - | - | - | - | - | (49,730) | (49,730) | (8,890) | (58,620) |
| Exchange difference on translation of financial statement of overseas subsidiaries | - | - | - | - | - | - | (494) | - | - | (494) | (133) | (627) |
| Total comprehensive loss for the period | - | - | - | - | - | - | (494) | - | (49,730) | (50,224) | (9,023) | (59,247) |
| Exercise of convertible notes | 440 | 327,893 | - | (2,641) | - | - | - | - | - | 325,692 | - | 325,692 |
| Issue of shares | 684 | 11,717 | - | - | - | - | - | - | - | 12,401 | - | 12,401 |
| At 31 December 2013 | 2,664 | 1,008,669 | 38,714 | 7,443 | 52,959 | 43 | (1,429) | - | (1,723,296) | (614,233) | (12,950) | (627,183) |
| At 1 July 2014 | 2,701 | 940,317 | 38,714 | 8,060 | 52,959 | 43 | (841) | (743) | (2,045,024) | (1,003,814) | (10,558) | (1,014,372) |
| Profit for the period | - | - | - | - | - | - | - | - | 163,702 | 163,702 | 4,340 | 168,042 |
| Exchange difference on translation of financial statement of overseas subsidiaries | - | - | - | - | - | - | (396) | - | - | (396) | (1) | (397) |
| Reclassification adjustment upon disposal of subsidiaries (Note 22) | - | - | - | - | - | - | 391 | - | - | 391 | - | 391 |
| Total comprehensive income for the period | - | - | - | - | - | - | (5) | - | 163,702 | 163,697 | 4,339 | 168,036 |
| Issue of shares for redemption of convertible notes | 9,397 | 744,993 | - | (8,060) | - | - | - | - | - | 746,330 | - | 746,330 |
| Issue of shares | 67,527 | 77,656 | - | - | - | - | - | - | - | 145,183 | - | 145,183 |
| Release upon disposal of subsidiaries (Note 22) | - | - | - | - | - | - | - | - | - | - | 6,219 | 6,219 |
| Share issue expenses | - | (7,510) | - | - | - | - | - | - | - | (7,510) | - | (7,510) |
| At 31 December 2014 | 79,625 | 1,755,456 | 38,714 | - | 52,959 | 43 | (846) | (743) | (1,881,322) | 43,886 | - | 43,886 |

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2014

| | Unaudited Six months ended 31 December | |
|-----------------------------------------------------------------------------------------|----------------------------------------------|----------|
| | 2014 | 2013 |
| | HK\$'000 | HK\$'000 |
| Net cash used in operating activities | (34,948) | (14,310) |
| Net cash used in investing activities | (32,966) | (45) |
| Net cash generated from financing activities | 88,273 | 12,401 |
| Increase/(decrease) in cash and cash equivalents | 20,359 | (1,954) |
| Cash and cash equivalents at the beginning of the period | 1,704 | 25,133 |
| Effect of foreign exchange rate change | (126) | (558) |
| Cash and cash equivalent at the end of the period | 21,937 | 22,621 |
| Analysis of cash and cash equivalents: | | |
| Cash and cash equivalents in the condensed consolidated statement of financial position | 21,937 | 22,621 |
| Bank overdrafts | - | - |
| Cash and cash equivalents | 21,937 | 22,621 |

Notes:

1. BASIS OF PREPARATION OF ACCOUNTS

The unaudited condensed consolidated interim financial statements (“Interim Financial Statements”) of the Group for the six months ended 31 December 2014 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of the GEM Listing Rules.

The preparation of the Interim Financial Statements in conformity with HKAS 34 requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The Interim Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 30 June 2014, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual HKFRSs, HKAS and Interpretation issued by HKICPA. They shall be read in conjunction with the Group’s audited financial statements for the year ended 30 June 2014 (the “Annual Report”).

During the period, the Group incurred a loss before income tax of approximately HK\$40,154,000 (six months ended 31 December 2013: HK\$40,945,000 (restated)) and had net current liabilities of approximately HK\$101,716,000 as at 31 December 2014.

In preparing the consolidated financial statements, the directors have given careful consideration to the future liquidity and financial positions of the Group in light of the conditions described in the preceding paragraph. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern and therefore, the Group may not be able to realise its current assets and discharge its current liabilities in the normal course of business. The directors are currently implement stringent cost control measures over administrative and other expenses to improve the operating and financial position of the Group.

Having considered the present cash position of the Group, it would be in the interest of the Company to negotiate for an extension of the repayment period of the Promissory Notes to allow time for it to arrange for additional funding for the repayment of the Promissory Notes of HK\$118,000,000. Promissory Notes are the majority current liabilities of the Group which represent 67.8% of total current liabilities as at 31 December 2014 which were expired on 27 February 2015 (see Note 20). Despite the maturity date has expired, the respective noteholders of the Promissory Notes has indicated its willingness to continue discussing and negotiating terms with the Board for a further extension of the maturity dates.

In the opinion of the directors, the successful implementation of the above measure, the Group will have sufficient cash resources to satisfy its future working capital and other financial commitments. The directors are of the opinion that the above measures will be successfully implemented. Accordingly, the directors are of the view that it is appropriate to prepare the financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments may have to be made to write down assets to their recoverable amounts. In addition, the Group may have to provide for further liabilities that might arise, and to reclassify non-current assets and liabilities as current assets and liabilities.

2. PRINCIPAL ACCOUNTING POLICIES

The Interim Financial Statements have been prepared under the historical cost convention, except for securities investment which are stated at fair value.

The accounting policies and methods of computation applied in the preparation of the Interim Financial Statements are consistent with those applied in preparing the Annual Report.

The adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current period had no significant effects on the results and financial position of the Group for the current period and prior years.

At the date of authorisation of the Interim Financial Statements, the Group has not early adopted any new/revised HKFRSs that have been issued but are not yet effective for the current period. The directors have already commenced an assessment of the impact of these new and revised HKFRSs but are not yet in a position to reasonably estimate whether these new and revised HKFRSs would have a significant impact on the Group's results of operations and financial position.

3. TURNOVER

Turnover represents revenue from the advertising operations in the People's Republic of China ("PRC"). The amount of each significant category of revenue recognised in turnover during the period is as follows:

| | Unaudited Six months ended 31 December | |
|-----------------------------------------------|-------------------------------------------------------|------------------------|
| | 2014 | 2013 |
| | HK\$'000 | HK\$'000 (restated) |
| Continuing operations | | |
| Outdoor advertising on buses and bus stations | 19,611 | 29,013 |
| Television advertisements | – | 2,965 |
| | 19,611 | 31,978 |

4. LOSS BEFORE INCOME TAX

| | Unaudited Six months ended 31 December | |
|------------------------------------------------------|----------------------------------------------|------------------------|
| | 2014 | 2013 |
| | HK\$'000 | HK\$'000 (restated) |
| Continuing operations | | |
| Finance cost | | |
| Interest on convertible notes | 14,446 | 20,233 |
| Interest on promissory notes | 1,087 | 3,169 |
| Other loan interest | 1,311 | – |
| Staff cost | 4,940 | 3,138 |
| Amortisation of intangible assets | 17,721 | 17,814 |
| Depreciation on owned assets | 198 | 113 |
| Operating lease charge in respect of office premises | 672 | 509 |

5. INCOME TAX

Income tax in the condensed consolidated statement of profit or loss represents:

| | Unaudited Six months ended 31 December | |
|---------------------------|----------------------------------------------|------------------------|
| | 2014 | 2013 |
| | HK\$'000 | HK\$'000 (restated) |
| Current tax | | |
| PRC Enterprise Income Tax | – | 1,374 |
| Deferred tax | | |
| Current tax | (6,451) | (7,464) |
| Tax credit for the period | (6,451) | (6,090) |

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period (2013: Nil).

6. DISCONTINUED OPERATIONS

On 25 April 2014, the Company entered into the conditional sale and purchase agreement (the "Sale and Purchase Agreement") that outdoor advertising on billboards and outdoor display spaces operation were discontinued following the disposal of Redgate Ventures Limited ("Redgate Ventures"), a direct wholly-owned subsidiary of the Company, and its subsidiaries (collectively known as the "Redgate Ventures Group"), which carried out all of the Group's outdoor advertising on billboards and outdoor display spaces operation. As the conditions precedent to the Sale and Purchase Agreement have not been fulfilled on or before 31 August 2014, being the long stop date for the fulfillment of the conditions, the Company and the purchaser agreed to terminate the Sale and Purchase Agreement. Accordingly, the Company and the purchaser entered into the termination deed on 1 September 2014 pursuant to which the parties agreed that the Sale and Purchase Agreement be terminated and all antecedent obligations and liabilities of the parties under the Sale and Purchase Agreement should be absolutely discharged and released immediately upon the signing of the termination deed and no party should have any claim against the other party in respect of any matter or thing arising out of or in connection with the Sale and Purchase Agreement. On 1 September 2014, the Company and the new purchaser entered into the new sale and purchase agreement pursuant to which the Company conditionally agreed to sell and the new purchaser conditionally agreed to purchase Redgate Ventures Group at consideration of HK\$600,000. On 17 November 2014, the disposal of Redgate Ventures Group was completed. The disposal of the outdoor advertising on billboards and outdoor display spaces operation is consistent with the Group's long-term policy to focus its activities in the outdoor advertising on buses and bus stations and television advertisements.

During the year ended 30 June 2013, the directors determined to cease the operation of Cyberliving Holdings Limited and its subsidiaries (the "Cyberliving Group") which were engaged in intelligent system business. The intelligent system business was terminated during the year ended 30 June 2013.

During the six months ended 31 December 2014, the results and cash flows of Redgate Ventures Group and Cyberliving Group are treated as discontinued operations. The comparative consolidated statement of profit or loss and related notes have been re-presented as if the operation discontinued during the period had been discontinued at the beginning of the comparative period.

6. DISCONTINUED OPERATIONS (Continued)

The results of the discontinued operations included in the consolidated statement of profit or loss and consolidated statement of cash flows as at 31 December 2014 are set out below:

| | Unaudited six months ended 31 December | |
|-----------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------|
| | 2014 | 2013 |
| | HK\$'000 | HK\$'000 (restated) |
| Turnover | 22,360 | 37,287 |
| Cost of sales | (11,180) | (47,834) |
| Gross profit/(loss) | 11,180 | (10,547) |
| Other revenue and other net income | 1,106 | 435 |
| Marketing and promotion expenses | (203) | (365) |
| Administrative expenses | (28,770) | (10,177) |
| Loss before income tax | (16,687) | (20,654) |
| Income tax | (35) | (3,111) |
| Loss for the period | (16,722) | (23,765) |
| Gain on disposal of subsidiaries (Note 22) | 218,467 | – |
| Profit/(loss) for the period from discontinued operations | 201,745 | (23,765) |
| Profit/(loss) attributable to: | | |
| Owners of the Company | 197,405 | (15,247) |
| Non-controlling interests | 4,340 | (8,518) |
| | 201,745 | (23,765) |
| Profit/(loss) for the period from discontinued operations included in the followings:– | | |
| Depreciation | 15 | 76 |
| Staff costs | 2,053 | 4,953 |
| Cash flows from discontinued operations: | | |
| Net cash (used in)/generated from operating activities | (404) | 3,671 |
| Net cash generated from investing activities | 18 | 43 |
| Net cash (outflows)/inflows | (386) | 3,714 |

7. EARNING/(LOSS) PER SHARE

The calculation of basic earning/(loss) per share is based on the profit/(loss) for the period attributable to the owners of the Company, and the weighted average number of ordinary shares in issue during the period.

The calculation of diluted earning/(loss) per share for the period is based on the profit/(loss) for the period attributable to the owners of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earning/(loss) per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

As the Company's outstanding convertible bonds/notes, share options, where applicable had an anti-dilutive effect to the basic earning/(loss) per share calculation for the current and prior periods, the conversion of the above potential dilutive shares is not assumed in the computation of diluted earning/(loss) per share. Therefore the basic and diluted earning/(loss) per share for the respective periods are equal.

From continuing and discontinued operations

The calculations of basic and diluted earning/(loss) per share are based on:

| | Unaudited three months ended 31 December 2014 | | Unaudited six months ended 31 December 2014 | |
|------------------------------------------------------------------------|--------------------------------------------------------|------------------|------------------------------------------------------|------------------|
| | 2013 HK\$'000 | 2013 HK\$'000 | 2013 HK\$'000 | 2013 HK\$'000 |
| Profit/(loss) for the period attributable to: Owners of the Company | 186,683 | (32,093) | 163,702 | (49,730) |

| | Number of shares three months ended 31 December 2014 (Unaudited) | | Number of shares six months ended 31 December 2014 (Unaudited) | |
|-----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------------------------------------|-------------------------------------------|
| | 2013 (Unaudited – restated) '000 | 2013 (Unaudited – restated) '000 | 2013 (Unaudited – restated) '000 | 2013 (Unaudited – restated) '000 |
| Weight average number of ordinary shares for basic and diluted earning/(loss) per share calculation | 346,115 | 68,975 | 308,111 | 60,627 |

7. EARNING/(LOSS) PER SHARE (Continued)

From continuing operations

The calculations of basic and diluted loss per share are based on:

| | Unaudited three months ended 31 December | | Unaudited six months ended 31 December | |
|---------------------------------------------------------------|------------------------------------------------|--------------------------------|----------------------------------------------|--------------------------------|
| | 2014 HK\$'000 | 2013 HK\$'000 (restated) | 2014 HK\$'000 | 2013 HK\$'000 (restated) |
| Loss for the period attributable to: Owners of the Company | (12,887) | (18,451) | (33,703) | (34,483) |

| | Number of shares three months ended 31 December | | Number of shares six months ended 31 December | |
|-------------------------------------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------------|-----------------------------------------------------|-----------------------------------------------|
| | 2014 (Unaudited) '000 | 2013 (Unaudited – restated) '000 | 2014 (Unaudited) HK\$'000 | 2013 (Unaudited – restated) HK\$'000 |
| Weight average number of ordinary shares for basic and diluted loss per share calculation | 346,115 | 68,975 | 308,111 | 60,627 |

8. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

The Group has the following continuing operating segments during the period. These segments are managed separately. No operating segment have been aggregated to form the following reportable segments.

- (1) Outdoor advertising on buses and bus stations: outdoor advertising operations on buses and bus stations in the PRC
- (2) Television advertisements: television advertising operations in the PRC

The Group was involved in following segments which were discontinued or disposed during the six months ended 31 December 2014.

- (1) Outdoor advertising on billboards and outdoor display spaces: outdoor advertising operations on billboards and outdoor display spaces in the PRC
- (2) Intelligent system: the development and sale of intelligent home electronic application system in the PRC

8. SEGMENT INFORMATION (Continued)

(a) Business segments

Segment information about these businesses is set out as follows:

| | Continuing operations For the six months ended 31 December 2014 | | |
|---------------------------------|-----------------------------------------------------------------------------------|---------------------------------------------------------|----------------------------------|
| | Outdoor advertising on buses and bus stations (unaudited) HK\$'000 | Television advertisements (unaudited) HK\$'000 | Total (unaudited) HK\$'000 |
| Segment revenue | | | |
| Revenue from external customers | 19,611 | – | 19,611 |
| Reportable segment loss | (3,054) | (13,539) | (16,593) |
| Depreciation and amortisation | 4,228 | 13,520 | 17,748 |
| Reportable segment assets | 8,624 | 191,095 | 199,719 |
| Reportable segment liabilities | 13,447 | 22,510 | 35,957 |

| | Continuing operations For the six months ended 31 December 2013 | | |
|-----------------------------------------|-----------------------------------------------------------------------------------|---------------------------------------------------------|------------------------------------------------|
| | Outdoor advertising on buses and bus stations (unaudited) HK\$'000 | Television advertisements (unaudited) HK\$'000 | Total (unaudited – restated) HK\$'000 |
| Segment revenue | | | |
| Revenue from external customers | 29,013 | 2,965 | 31,978 |
| Reportable segment profit/(loss) | 1,276 | (15,592) | (14,316) |
| Depreciation and amortisation | 4,318 | 13,521 | 17,839 |
| Reportable segment assets | 19,197 | 507,124 | 526,321 |
| Reportable segment liabilities | 5,972 | 26,792 | 32,764 |

8. SEGMENT INFORMATION (Continued)

(b) Reconciliation of reportable segment revenues, profit or loss, assets and liabilities

| | Unaudited Six months ended 31 December | |
|--------------------------------------|----------------------------------------------|--------------------------------|
| | 2014 HK\$'000 | 2013 HK\$'000 (restated) |
| Revenue | | |
| Reportable segments' revenues | 19,611 | 31,978 |
| Elimination of inter-segment revenue | - | - |
| Consolidated turnover | 19,611 | 31,978 |

| | Unaudited Six months ended 31 December | |
|------------------------------------------------|----------------------------------------------|--------------------------------|
| | 2014 HK\$'000 | 2013 HK\$'000 (restated) |
| Loss before income tax | | |
| Reportable segment loss | (16,593) | (14,316) |
| Other revenue and other net income | 8,130 | 3,502 |
| Finance costs | (16,844) | (23,402) |
| Unallocated head office and corporate expenses | (14,847) | (6,729) |
| Consolidated loss before income tax | (40,154) | (40,945) |

8. SEGMENT INFORMATION (Continued)

(b) Reconciliation of reportable segment revenues, profit or loss, assets and liabilities (Continued)

| | Unaudited 31 December 2014 HK\$'000 | 2013 HK\$'000 (restated) |
|-------------------------------------------------------------------------------------------------------------|----------------------------------------------|--------------------------------|
| Total assets | | |
| Reportable segment assets | 199,719 | 526,321 |
| Elimination of inter-segment receivables | - | - |
| | 199,719 | 526,321 |
| Assets relating to outdoor advertising on billboards and outdoor display spaces (now discontinued) | - | 99,188 |
| Assets relating to intelligent system (now discontinued) | - | 23 |
| Available-for-sale financial assets | - | 235 |
| Deposit for acquisition of subsidiaries | 15,000 | - |
| Financial assets at fair value through profit or loss | 41 | 26 |
| Unallocated corporate assets | 50,297 | 3,970 |
| Consolidated total assets | 265,057 | 629,763 |

8. SEGMENT INFORMATION (Continued)

(b) Reconciliation of reportable segment revenues, profit or loss, assets and liabilities (Continued)

| | Unaudited 31 December 2014 HK\$'000 | 2013 HK\$'000 (restated) |
|--------------------------------------------------------------------------------------------------------|----------------------------------------------|--------------------------------|
| Total liabilities | | |
| Reportable segment liabilities | 35,957 | 32,764 |
| Elimination of inter-segment payables | – | – |
| | 35,957 | 32,764 |
| Liabilities related to outdoor advertising on billboards and outdoor display spaces (now discontinued) | – | 319,095 |
| Liabilities related to intelligent system (now discontinued) | – | 11,392 |
| Borrowings | 11,000 | 20,400 |
| Promissory notes | 118,000 | 155,732 |
| Convertible notes | – | 645,509 |
| Deferred taxation | 47,017 | 61,007 |
| Unallocated corporate liabilities | 9,197 | 11,047 |
| | 221,171 | 1,256,946 |

Discontinued operations

| | Unaudited Six months ended 31 December 2014 HK\$'000 | 2013 HK\$'000 (restated) |
|--------------------------------------|------------------------------------------------------------------|--------------------------------|
| Revenue | | |
| Reportable segments' revenues | 22,360 | 37,287 |
| Elimination of inter-segment revenue | – | – |
| Consolidated turnover | 22,360 | 37,287 |

8. SEGMENT INFORMATION (Continued)

(c) Geographic information

As all segments of the Group are operating in the PRC, including Hong Kong, no geographic information has further been disclosed.

9. PROPERTY, PLANT AND EQUIPMENT

| | Unaudited 2014 HK\$'000 |
|----------------------------------|-------------------------------|
| Net book value as at 1 July | 1,167 |
| Additions | 55 |
| Depreciation | (198) |
| Net book value as at 31 December | 1,024 |

10. INTANGIBLE ASSETS

| | Unaudited 2014 HK\$'000 |
|----------------------------------|-------------------------------|
| Net book value as at 1 July | 205,789 |
| Amortisation | (17,721) |
| Net book value as at 31 December | 188,068 |

11. GOODWILL

| | Unaudited 2014 HK\$'000 |
|----------------------------------|-------------------------------|
| Net book value as at 1 July | 3,527 |
| Written-off during the period | - |
| Net book value as at 31 December | 3,527 |

12. DEPOSIT FOR ACQUISITION OF SUBSIDIARIES

On 2 December 2014, the Company and the prospective vendors entered into the memorandum of understanding in relation to the possible acquisition. The Company had paid a refundable deposit of HK\$15,000,000 during the six months ended 31 December 2014.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | Unaudited 31 December 2014 HK\$'000 | Audited 30 June 2014 HK\$'000 |
|-----------------------------------------|--------------------------------------------------------|----------------------------------------|
| Listed securities: | | |
| – Equity securities listed in Hong Kong | 41 | 42 |

Financial assets at fair value through profit or loss are stated at fair values which are determined with reference to quoted market bid price.

14. ACCOUNTS RECEIVABLE

| | Unaudited 31 December 2014 HK\$'000 | Audited 30 June 2014 HK\$'000 |
|------------------------------------|--------------------------------------------------------|----------------------------------------|
| Trade debtors | 1,543 | 3,130 |
| Less: allowance for doubtful debts | – | – |
| | 1,543 | 3,130 |

The ageing analysis of account receivables is as follows:

| | Unaudited 31 December 2014 HK\$'000 | Audited 30 June 2014 HK\$'000 |
|-----------------------------|--------------------------------------------------------|----------------------------------------|
| Current | 1,464 | – |
| Less than 1 months past due | – | 2,340 |
| 1 to 3 months past due | 30 | – |
| Over 3 months past due | 49 | 790 |
| | 1,543 | 3,130 |

The movements in the impairment loss on accounts receivable during the six months ended 31 December 2014 and year ended 30 June 2014 are as follows:–

| | Unaudited 31 December 2014 HK\$'000 | Audited 30 June 2014 HK\$'000 |
|----------------------------------------------------|--------------------------------------------------------|----------------------------------------|
| At the beginning of the period/year | – | 406 |
| Reclassified to assets classified as held for sale | – | (406) |
| At the end of the period/year | – | – |

14. ACCOUNTS RECEIVABLE (Continued)

The ageing analysis of account receivables that are past due but not impaired, along with receivables that are neither past due nor impaired, is as follows:

| | Unaudited 31 December 2014 HK\$'000 | Audited 30 June 2014 HK\$'000 |
|-------------------------------|--------------------------------------------------------|----------------------------------------|
| Past due but not impaired: | | |
| – Less than 3 months past due | 30 | 2,340 |
| – Over 3 months past due | 49 | 790 |
| | 79 | 3,130 |
| Neither past due nor impaired | 1,464 | – |
| | 1,543 | 3,130 |

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

| | Unaudited 31 December 2014 HK\$'000 | Audited 30 June 2014 HK\$'000 |
|--------------------------------------------|--------------------------------------------------------|----------------------------------------|
| Prepayments | 459 | 4,750 |
| Rental and utility deposits | 67 | 359 |
| Other deposits | 26,882 | 3,012 |
| Amount due from a director | 3,450 | – |
| Other receivables | 14,368 | 11,166 |
| | 45,226 | 19,287 |
| Less: Impairment loss on other receivables | (11,413) | (11,413) |
| At the end of period/year | 33,813 | 7,874 |

Movements in the impairment loss on other receivables:

| | Unaudited 31 December 2014 HK\$'000 | Audited 30 June 2014 HK\$'000 |
|-------------------------------------|--------------------------------------------------------|----------------------------------------|
| At the beginning of the period/year | 11,413 | 1,643 |
| Impairment loss recognised | – | 9,770 |
| At the end of period/year | 11,413 | 11,413 |

16. ASSETS CLASSIFIED AS HELD FOR SALE/LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

| | Unaudited 31 December 2014 HK\$'000 | Audited 30 June 2014 HK\$'000 |
|--------------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------|
| Property, plant and equipment | – | 192 |
| Available-for-sale financial assets | – | 1 |
| Accounts receivables | – | 37,480 |
| Prepayments, deposits and other receivables | – | 45,598 |
| Prepaid advertising placement service costs | – | 5,798 |
| Cash and cash equivalents | – | 18,299 |
| Assets classified as held for sale | – | 107,368 |
| Trade payables, accrued expenses and other payables | – | 304,629 |
| Tax payable | – | 16,170 |
| Liabilities directly associated with assets classified as held for sale | – | 320,799 |

17. TRADE PAYABLES, ACCRUED EXPENSES AND OTHER PAYABLES

| | Unaudited 31 December 2014 HK\$'000 | Audited 30 June 2014 HK\$'000 |
|-------------------------------------|--------------------------------------------------------|----------------------------------------|
| Trade payables | 993 | 615 |
| Accrued expenses and other payables | 24,125 | 39,217 |
| Amounts due to directors | 2,255 | 2,815 |
| Receipts in advance | 544 | – |
| | 27,917 | 42,647 |

The following is an ageing analysis of trade payables presented based on invoice date as at the end of the reporting period:

| | Unaudited 31 December 2014 HK\$'000 | Audited 30 June 2014 HK\$'000 |
|--------------------|--------------------------------------------------------|----------------------------------------|
| Less than 1 month | 378 | – |
| 1 to 3 months | – | 596 |
| 3 to 6 months | – | – |
| 6 months to 1 year | 596 | – |
| Over 1 year | 19 | 19 |
| | 993 | 615 |

18. BORROWINGS

| | Unaudited 31 December 2014 HK\$'000 | Audited 30 June 2014 HK\$'000 |
|------------------------|--------------------------------------------------------|----------------------------------------|
| Other loans, unsecured | 11,000 | 20,400 |

During the six months ended 31 December 2014, the Group obtained borrowings in the amounts of HK\$3,000,000 and HK\$8,000,000, respectively. The borrowings bear interest at 1% to 2% per month and contain a term of repayment on demand. The borrowings were repaid in full on 14 January 2015.

The borrowing outstanding as at 30 June 2014 which bears interest at 1% to 3% per month were repaid on 10 December 2014.

The lenders reserve the unconditional right to call the borrowings at any time, therefore, the borrowings are classified as current liabilities as at 31 December 2014 and 30 June 2014.

19. CONVERTIBLE INSTRUMENTS

| | Unaudited 31 December 2014 HK\$'000 | Audited 30 June 2014 HK\$'000 |
|--------------------------------------------------|--------------------------------------------------------|----------------------------------------|
| Liability components | | |
| At the beginning of the period/year | 729,754 | 947,094 |
| Conversion of convertible notes | – | (254,997) |
| Interest charged | 14,446 | 37,657 |
| Redemption of convertible notes (Note) | (744,200) | – |
| At the end of the period/year | – | 729,754 |
| Less: Amount due within one year | – | (36,296) |
| Amount due after one year | – | 693,458 |
| Derivative financial asset components | | |
| At the beginning of the period/year | – | 126 |
| Fair value change | – | (126) |
| At the end of the period/year | – | – |
| Derivative financial liability components | | |
| At the beginning of the period/year | 5 | 1,510 |
| Fair value change | – | (1,410) |
| Conversion of convertible notes | – | (95) |
| Redemption of convertible notes (Note) | (5) | – |
| At the end of the period/year | – | 5 |

Note: On 3 December 2014, the Company has fully redeemed all the outstanding Placing CB and Convertible Notes by issuing 93,969,182 ordinary shares of the Company at issue price of HK\$2.22 each.

20. PROMISSORY NOTES

On 31 August 2012, the Company issued HK\$160,000,000 unsecured redeemable promissory notes in connection with the acquisition of 100% equity interest in the Redgate Ventures Group. The promissory notes are repayable in one lump sum on maturity of two years and matured on 30 August 2014. The Company received a deed of extension from promissory notes holders on 29 August 2014 agreed to extend the maturity date on promissory notes to 30 November 2014. The maturity date has further extended to 27 February 2015 by receiving the second deed of extension from promissory note holders on 28 November 2014. The promissory notes were unsecured and interest free. The Company has the right to repay the promissory notes prior to the maturity to the promissory note holders.

| | Unaudited 31 December 2014 HK\$'000 | Audited 30 June 2014 HK\$'000 |
|-------------------------------------|--------------------------------------------------------|----------------------------------------|
| At the beginning of the period/year | 158,913 | 152,563 |
| Repayment (Note) | (40,000) | – |
| Discount received (Note) | (2,000) | – |
| Interest charged | 1,087 | 6,350 |
| At the end of the period/year | 118,000 | 158,913 |

Note: On 11 December 2014, the Company had early repaid HK\$40,000,000 promissory note with principal amount to one of the promissory note holders (“First Promissory Note Holder”) which hold the promissory note with the principal amount of HK\$80,000,000 (“Principal Amount”). As agreed among the Company and the First Promissory Note Holder, the early repayment was made in consideration of the consent to a concession of 2.5% (or equivalent to HK\$2,000,000) discount on the Principal Amount. After the repayment, the total amount outstanding pursuant to the promissory note is HK\$38,000,000.

21. SHARE CAPITAL

| | Unaudited 31 December 2014 HK\$'000 | Audited 30 June 2014 HK\$'000 |
|-------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------|
| Authorised: 3,000,000,000 shares of HK\$0.10 each (30 June 2014: 30,000,000,000 shares of HK\$0.01 each) | 300,000 | 300,000 |
| Issued and fully paid: 796,246,784 shares of HK\$0.10 each (30 June 2014: 270,106,785 shares of HK\$0.01 each) | 79,625 | 2,701 |

21. SHARE CAPITAL (Continued)

| | Number of shares '000 | Nominal value HK\$'000 |
|--------------------------------------------------------------------|-----------------------------|------------------------------|
| At 30 June 2014 | 270,106 | 2,701 |
| Share consolidation (Note (i)) | (243,096) | – |
| Issue of shares for redemption of convertible notes (Note (ii)) | 93,969 | 9,397 |
| Issuance of shares upon Open Offer (Note (iii)) | 675,267 | 67,527 |
| As 31 December 2014 | 796,246 | 79,625 |

Notes:

- (i) The Company's share consolidation was effective on 30 October 2014 pursuant to the resolution passed at the special general meeting on 29 October 2014. Every 10 issued and unissued shares of HK\$0.01 each in the share capital of the Company was consolidated into 1 consolidated share of HK\$0.1 each.
- (ii) On 3 December 2014, the Company has fully redeemed all the outstanding Placing CB and Convertible Notes by issuing 93,969,182 ordinary shares of the Company at issue price of HK\$2.22 each.
- (iii) On 3 December 2014, 675,266,925 offers shares were issued at subscription price of HK\$0.215 each upon completion of Open Offer.

22. DISPOSAL OF SUBSIDIARIES

Analysis of assets and liabilities of the discontinued operations undertaken by Redgate Ventures Group at the date of disposal on 17 November 2014 was as follows:

| | HK\$'000 |
|------------------------------------------------------------------------------------|-----------|
| Assets and liabilities disposed of: | |
| Property, plant and equipment | 88 |
| Available-for-sale financial assets | 2 |
| Accounts receivable | 31,649 |
| Prepayments, deposits and other receivables | 23,756 |
| Prepaid advertising placement service costs | 10,906 |
| Cash and cash equivalents | 17,913 |
| Trade payables, accrued expenses and other payables | (293,279) |
| Tax payable | (15,512) |
| Net liabilities | (224,477) |
| Non-controlling interests | 6,219 |
| | (218,258) |
| Release of cumulative exchange differences on translation of foreign operations | 391 |
| Gain on disposal of subsidiaries (Note 6) | 218,467 |
| Consideration | 600 |
| Satisfied by: | |
| Other receivables | 600 |

22. DISPOSAL OF SUBSIDIARIES (Continued)

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

| | HK\$'000 |
|----------------------------------------------------------------------------------|----------|
| Cash and cash equivalents disposed of | 17,913 |
| Outflow of cash and cash equivalents in respects of the disposal of subsidiaries | 17,913 |

23. COMMITMENTS

(i) Operating lease commitments

The future minimum lease payments under non-cancellable operating leases are payable as follow:

| | Unaudited 31 December 2014 HK\$'000 | Audited 30 June 2014 HK\$'000 |
|--------------------------------|--------------------------------------------------------|----------------------------------------|
| Within 1 year | 321 | 404 |
| Over 1 year but within 5 years | 9 | 2,301 |
| | 330 | 2,705 |

The Company leases a number of properties under operating leases. The leases typically run for an initial period of one to three years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

(ii) Capital commitments

| | Unaudited 31 December 2014 HK\$'000 | Audited 30 June 2014 HK\$'000 |
|-----------------------------------------------------------------|--------------------------------------------------------|----------------------------------------|
| Contracted but not provided for: Investment on joint venture | 7,000 | 7,000 |

24. NON-CASH TRANSACTIONS

On 3 December 2014, an aggregate of 3,700,000, 68,964,601 and 21,304,581 Shares were issued and allotted by the Company to redeem the outstanding Placing CB, First and Second Convertible Notes and Third Convertible Notes respectively.

Upon completion of the redemption, the redeemed Placing CB and the Convertible Notes were cancelled.

25. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform with current period's presentation.

DIVIDEND

The Directors did not recommend the payment of a dividend for the six months ended 31 December 2014 (2013: Nil).

BUSINESS REVIEW

For the six months ended 31 December 2014, the Group's unaudited consolidated turnover amounted to approximately HK\$19,611,000 (2013: HK\$31,978,000 (restated)).

The Group recorded a profit for the period attributable to owners of the Company of approximately HK\$163,702,000 for the six months ended 31 December 2014 (2013: loss approximately HK\$49,730,000).

The Group has recorded an one-off gain of HK\$218,467,000 (2013: Nil) arising from the disposal of the Redgate Ventures Group, which has been completed on 17 November 2014.

The substantial profit attributable to the owners of the Company for the six months ended 31 December 2014 was approximately HK\$163,702,000 (2013: loss approximately HK\$49,730,000) was mainly due to the (i) gain on disposal of subsidiaries and (ii) decrease in effective interest expense on convertible notes and promissory notes. The above mentioned gain on disposal of subsidiaries and effective interest expenses are non-cash adjustments and will not affect working capital sufficiency of the Group.

Basic earning per share from continuing and discontinued operations for the six months ended 31 December 2014 was HK\$0.53 (2013: loss per share HK\$0.82 (restated)).

On 28 January 2015, the Board of Directors of the Company has formally appointed and engaged FTI Consulting (Hong Kong) Limited (the "FTI") as the independent investigation accountant to study and review the financial affairs of the Company for the last five years. The Company shall make separate announcement(s) once FTI's review result is obtained.

Buses and bus stations advertising business in PRC

China's economic development was affected by the complex and challenging foreign situation, new inventories and capacity were added by existing advertising platform operators, competition between outdoor advertising and other advertising formats continued to be keen.

During the six months ended 31 December 2014, as a result of the tough operating environment faced by the outdoor advertising business, the Group's bus advertising business in PRC reported a 32.4% decrease in revenue to HK\$19,611,000 from HK\$29,013,000 in the corresponding period in 2013.

Television advertisement business in PRC

Due to challenging and competitive operating environment in the PRC, the Group has scaled down the investment in this sector in order to allocate more resources on other major sectors and explore new business opportunities. There is no revenue reported during the six months ended 31 December 2014 (2013: HK\$2,965,000).

LIQUIDITY AND FINANCIAL RESOURCES

At 31 December 2014, the Group has borrowings of HK\$11,000,000 (30 June 2014: HK\$20,400,000) and other debts (include the principal amount of promissory notes and convertible notes) of HK\$118,000,000 (30 June 2014: HK\$1,018,398,000) denominated in Hong Kong dollars. The debt ratio, calculated as total liabilities over total assets of the Group as at 31 December 2014 was approximately 0.83 (30 June 2014: approximately 4.07).

The Group did not have any stand-by banking facilities at 31 December 2014 and 30 June 2014.

As at 31 December 2014, the Group had cash and cash equivalents (the “Liquidity Resources”) of approximately HK\$21,937,000 (30 June 2014: approximately HK\$1,704,000) which are mainly denominated in Hong Kong dollars and Renminbi. The Group expected to fund the future cash flow needs through internally generated cash flows from operations, borrowings and equity financing.

Save as disclosed in this report, the Group has no material capital expenditure commitments as at 31 December 2014.

CAPITAL STRUCTURE

- (a) On 25 April 2014, the Board proposed to implement the share consolidation on the basis that every ten issued and unissued Shares of HK\$0.01 each in the share capital of the Company will be consolidated into one consolidated share of HK\$0.1 each (“Share Consolidation”). Following the passing of a special resolution of the Company’s special general meeting on 29 October 2014, the Share Consolidation was completed on 30 October 2014.
- (b) During the six months ended 31 December 2014, the Company has fully redeemed all the outstanding Placing CB and Convertible Notes amounted to HK\$858,398,003 by issuing 93,969,182 ordinary shares of the Company at issue price of HK\$2.22 each. Prior to the redemption on 3 December 2014, the outstanding principal amounts of the Placing CB, the First and Second Convertible Notes and the Third Convertible Notes were HK\$37,000,000, HK\$689,645,956 and HK\$131,752,048, respectively. Accordingly, an aggregate of 3,700,000, 68,964,601 and 21,304,581 ordinary shares were issued and allotted by the Company to the holders of the outstanding Placing CB, First and Second Convertible Notes and Third Convertible Notes, respectively.

For details of redemption, please refer to the circular dated 14 October 2014.

- (c) On 26 November 2014, all the conditions set out in the Underwriting Agreement have been fulfilled and the Open Offer has become unconditional. On 3 December 2014, 675,266,925 offer shares were issued at subscription price of HK\$0.215 each.

As at 31 December 2014, the Company's issued share capital was HK\$79,624,678.40 and the number of its issued ordinary shares was 796,246,784 shares of HK\$0.10 each ("Shares").

USE OF PROCEEDS FROM OPEN OFFER

On 3 December 2014, the Company has raised approximately HK\$145,200,000 (before expenses) by the Open Offer of 675,266,925 shares issued at a subscription price of HK\$0.215 per offer share on the basis of twenty five offer shares for every one share. After deducing the underwriting fees, related professional fees and other expenses, the net proceeds from the Open Offer ("Net Proceeds") was approximately HK\$134,700,000.

The following table sets forth the amount of Net Proceeds dedicated to be applied to each of the proposed uses based on the prospectus dated 11 November 2014 ("Proposed Uses") and the actual use of Net Proceeds as of 31 December 2014:

| Proposed Uses of Net Proceeds | The amount of Net Proceeds dedicated to be applied to each of the Proposed Uses | The amount of Net Proceeds already applied to the Proposed Uses as of 31 December 2014 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| (a) For early partial settlement of the outstanding promissory notes | HK\$16,000,000 | HK\$40,000,000 |
| (b) For paying the licence fee for the Group's bus advertising business and acquiring more television airtime for scaling up the Group's existing business of advertising through television airtime | approximately HK\$68,300,000 | approximately HK\$32,010,000 |
| (c) For settlement of the outstanding indebtedness owed to financial institutions | approximately HK\$20,400,000 | approximately HK\$21,492,000 |
| (d) For financing the operation of the remaining group | approximately HK\$5,000,000 | – |
| (e) For general working capital | approximately HK\$25,000,000 | approximately HK\$24,284,000 |

MATERIAL ACQUISITIONS AND DISPOSALS DURING THE PERIOD AND FUTURE PLANS FOR MATERIAL INVESTMENTS

- (a) On 25 April 2014, the Company and the purchaser (“Purchaser”) entered into the sale and purchase agreement (“Sale and Purchase Agreement”) pursuant to which the Company conditionally agreed to sell and the Purchaser conditionally agreed to acquire sale shares of Redgate Ventures at a consideration of HK\$500,000.

As the conditions precedent to the Sale and Purchase Agreement have not been fulfilled on or before 31 August 2014, being the long stop date for the fulfillment of the conditions, the parties agreed to terminate the Sale and Purchase Agreement. Accordingly, the Company and the Purchaser entered into the termination deed (“Termination Deed”) on 1 September 2014 pursuant to which the parties agreed that the Sale and Purchase Agreement be terminated and all antecedent obligations and liabilities of the parties under the Sale and Purchase Agreement should be absolutely discharged and released immediately upon the signing of the Termination Deed and no party should have any claim against the other party in respect of any matter or thing arising out of or in connection with the Sale and Purchase Agreement.

On 1 September 2014, the Company and the new purchaser (“New Purchaser”) entered into the new sale and purchase agreement pursuant to which the Company conditionally agreed to sell and the New Purchaser conditionally agreed to acquire the sale shares of Redgate Ventures at a consideration of HK\$600,000. On 29 October 2014, Special General Meeting was held and the proposed disposal of Redgate Ventures was duly passed by Independent Shareholders. The disposal was completed on 17 November 2014.

- (b) On 2 December 2014, the Company and the Prospective Vendors entered in the Memorandum of Understanding (“MOU”) in relation to a Possible Acquisition.

The Target Group will be principally engaged in worldwide media commercial advertising business in football matches of Liga de Fútbol Profesional. The Company has paid HK\$15,000,000 (the “Deposit”) to the Prospective Vendors as a refundable deposit. Subject to the satisfaction of due diligence result on the Target Group, the Company will consider further negotiation with the Prospective Vendors on the Possible Acquisition and entering into formal agreement. In the event that formal agreement is not entered into prior to the Long Stop Date or the MOU is terminated, the Deposit shall be refunded in full without interest and without deduction to the Company by the Prospective Vendors within fourteen days. In the event of entering into the formal agreement, the Deposit will be applied towards satisfaction of the consideration of the Possible Acquisition or part thereof.

The MOU shall remain in effect during the period commencing from the date of the MOU to the Long Stop Date (or such longer period as the parties may mutually agree in writing) unless the Company gives written notice to the Prospective Vendors of its intention to abandon further negotiations, or until superseded by the execution of the formal agreement.

Save as disclosed above, the Group did not make any material acquisition or disposal during the six months ended 31 December 2014.

CONVERTIBLE INSTRUMENTS

The placing of the convertible bonds in aggregate principal amount of HK\$200,000,000 (“Placing CBs”) was completed on 29 August 2012. The net proceeds from the placing amounted to approximately HK\$194,000,000 was used to fund the cash portion of the consideration paid for acquisition of Redgate Ventures. The Placing CBs, with maturity date of 28 August 2014 (extended the maturity date to 28 November 2014), is convertible into Shares at an initial conversion price of HK\$38 per Share during the conversion period. Prior to early redemption on 3 December 2014, the Placing CBs with the principal amount of HK\$163,000,000 have been converted into Shares of the Company. On 3 December 2014, the Company has fully redeemed the remaining Placing CBs with the principal amount of HK\$37,000,000 by issuing 3,700,000 ordinary shares at issue price of HK\$2.22 each.

On 31 August 2012, the Company issued convertible notes with the principal amount of HK\$1,160,000,000 as consideration for acquisition 100% of Redgate Ventures (“Redgate CN1 & CN2”). The Redgate CN1 & CN2, with maturity date of 30 August 2015, is convertible into Shares at the conversion price of HK\$38 per Share (upon completion of Share Consolidation) during the conversion period. Prior to early redemption on 3 December 2014, Redgate CN1 & CN2 with the principal amount of HK\$470,354,044 have been converted into Shares of the Company. On 3 December 2014, the Company has fully redeemed the remaining Redgate CN1 & CN2 with the principal amount of HK\$689,645,956 by issuing 68,964,601 ordinary shares at issue price of HK\$2.22 each.

On 31 August 2012, the Company issued convertible notes with the principal amount of HK\$140,704,206 as consideration for acquisition of 100% of Redgate Ventures (“Redgate CN3”). The Redgate CN3, with maturity date is 30 August 2015, is convertible into Shares at the conversion price of HK\$23.5 per Share (upon completion of Share Consolidation) during the conversion period. Prior to early redemption on 3 December 2014, the Redgate CN3 with the principal amount of HK\$8,952,158 have been converted into Shares of the Company. On 3 December 2014, the Company has fully redeemed the remaining Redgate CN3 with the principal amount of HK\$131,752,048 by issuing 21,304,581 ordinary shares at issue price of HK\$2.22 each.

FOREIGN CURRENCY RISK

The reporting currencies of the Group is Hong Kong dollars (“HK\$”).

The Group has transactional currency exposures. Such exposures arise from the business operations in the PRC denominated in the Renminbi (“RMB”).

As at 31 December 2014, the Group had a minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities were principally denominated in the functional currencies, i.e. RMB, used by the Group entities or in the HK\$ functional currency Group entities.

As at 31 December 2014, the Group does not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider using hedging instruments in respect of significant foreign currency exposure as and when appropriate.

EMPLOYEES

The number of employees (including Directors) was 51 as at 31 December 2014 (2013: 56 (restated)), and the total staff costs (including Directors’ remuneration) for the six months ended 31 December 2014 was approximately HK\$4,940,000 (2013: HK\$3,138,000 (restated)). Other benefits provided by the Group to the employees include MPF and medical coverage.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 23 November 2012 (“New Scheme”) to replace the share option scheme adopted on 5 July 2002 (“Old Scheme”) which has been expired on 5 July 2012. Up to 31 December 2014 there were 104,270* share options granted to the grantees and there were 66,142* shares options under the Old Scheme exercised and 6* share options has been lapsed. The remaining 38,122* share options under the Old Scheme will lapse from 20 September 2015 to 14 January 2020. Details of which were as follows:

| Date of grant | Number of share options | | | | | Adjusted during the period upon Completion of Share Consolidation and Open Offer | Outstanding as at 31 December 2014 | Option period | Exercise price per share |
|---------------------------------|-------------------------------|---------------------------|-----------------------------|--------------------------|------------------------------|----------------------------------------------------------------------------------|------------------------------------|----------------------------------------|--------------------------|
| | Outstanding as at 1 July 2014 | Granted during the period | Exercised during the period | Lapsed during the period | Consolidation and Open Offer | | | | |
| Other employees and consultants | 20 September 2005 | 263 | - | - | - | (103) | 160 | 20 September 2005 to 19 September 2015 | HK\$707.09 |
| | 23 August 2007 | 18,338 | - | - | - | (7,086) | 11,252 | 23 August 2007 to 22 August 2017 | HK\$3,907.76 |
| | 9 September 2008 | 8,107 | - | - | - | (3,132) | 4,975 | 9 September 2008 to 8 September 2018 | HK\$1,079.39 |
| | 11 September 2008 | 5,781 | - | - | - | (2,235) | 3,546 | 11 September 2008 to 10 September 2018 | HK\$1,209.46 |
| | 16 December 2008 | 5,781 | - | - | - | (2,235) | 3,546 | 16 December 2008 to 15 December 2018 | HK\$472.70 |
| | 17 February 2009 | 3,154 | - | - | - | (1,222) | 1,932 | 17 February 2009 to 16 February 2019 | HK\$614.18 |
| | 29 May 2009 | 3,154 | - | - | - | (1,222) | 1,932 | 29 May 2009 to 28 May 2019 | HK\$545.72 |
| | 31 December 2009 | 1,798 | - | - | - | (694) | 1,104 | 31 December 2009 to 30 December 2019 | HK\$279.06 |
| | 15 January 2010 | 15,767 | - | - | - | (6,092) | 9,675 | 15 January 2010 to 14 January 2020 | HK\$452.81 |
| Total | | 62,143 | - | - | - | (24,021) | 38,122 | | |

* Adjusted number of share options upon completion of Share Consolidation and Open Offer.

INTERESTS OF THE DIRECTORS OR CHIEF EXECUTIVE IN THE SHARE CAPITAL OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

Directors' and chief executives' interest in the Company

As at 31 December 2014, none of the Directors nor the chief executives of the Company had any other interests and short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register kept by the Company under Section 352 of the SFO or otherwise required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors set out in Rules 5.46 to 5.67 of the GEM Listing Rules.

INTERESTS DISCLOSEABLE UNDER THE SECURITIES AND FUTURE ORDINANCE OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2014, so far as is known to the Directors, the following persons, not being Directors or chief executive of the Company had, or were deemed to have, interests or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who is expected, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group, or substantial shareholders as recorded in the register required to be kept by the Company under Section 336 of the SFO:

| Name of shareholders | Capacity | Number of Shares interested | Number of underlying Shares interested | Total number of Shares and underlying Shares interested | Approximately percentage of shareholding |
|----------------------------------------------|-----------------------------------------------|-----------------------------|----------------------------------------|---------------------------------------------------------|------------------------------------------|
| China Trillion Capital International Limited | Beneficial owner | 63,050,609 | - | 63,050,609 | 7.92% |
| Uni-Asia Limited | Beneficial owner | 7,643,678 | - | 70,694,287 | 8.88% |
| | Interested of controlled corporation (Note 1) | 63,050,609 | - | | |
| ASPTC (PTC) Limited | Trustee (Note 2) | 70,694,287 | - | 70,694,287 | 8.88% |
| Al-Saleh Fawzi M | Beneficiary of a trust (Note 3) | 70,694,287 | - | 70,694,287 | 8.88% |

Notes:

1. China Trillion Capital International Limited is beneficially owned as to 100% by Uni-Asia Limited. Therefore Uni-Asia Limited is deemed to be interested in the shares of China Trillion Capital International Limited.
2. Uni-Asia Limited is beneficially owned as to 100% by ASPTC (PTC) Limited, which in turn holds the entire share capital of Uni-Asia Limited on trust for Al-Saleh Waszi M.
3. ASPTC (PTC) Limited is beneficially owned as to 100% by Al-Saleh Fawzi M. Therefore Al-Saleh Fawzi M is deemed to be interested in the shares of ASPTC (PTC) Limited.

Save as disclosed above, as at 31 December 2014, the Directors are not aware of any other person, other than the Directors and the chief executive of the Company who had, or was deemed to have, interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who is expected, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

DIRECTORS' INTERESTS IN CONTRACTS

As at 31 December 2014, no director of the Company had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party.

DIRECTORS' INTEREST IN COMPETING INTERESTS

As at 31 December 2014 none of the Directors, the management shareholders or substantial shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) has engaged in any business that competes or may compete with the business of the Group, or have any other conflict of interests with the Group.

MANAGEMENT CONTRACTS

As at 31 December 2014, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed.

COMPETITION AND CONFLICT OF INTERESTS

As at 31 December 2014, none of the Directors, the management shareholders or substantial shareholders of the Company or any of their respective associates (as referred to in Note 3 to Rule 6.35 of the GEM Listing Rules) have engaged in any business that competes or may compete with the business of the Group, or have any other conflict of interests with the Group.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the code of conduct for securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 (“Securities Code”) of the GEM Listing Rules. During the six months ended 31 December 2014, the Company had made specific enquiry to all Directors and the Company was not aware of any non-compliance with the required standard set out in the Securities Code.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2014.

LITIGATION

- (a) On 31 August 2010, a writ of summons was issued by Mr. Lim Yi Shenn as the plaintiff (“Plaintiff”) against Ms. Wong Yuen Yee, an ex-director of the Company, Mr. Wong Yao Wing, Robert, an ex-director of the Company and the Company (collectively “Defendants”). The Plaintiff claimed against each of the Defendants for damages for various misrepresentations allegedly made by the Defendants in relation to certain investment agreement and placing agreement of April and June 2008. The Plaintiff has filed a statement of claim setting out the particulars of his claims against the Defendants and claiming damages for misrepresentation in the amount of approximately HK\$15,838,000 and/or, alternatively, the return of a sum of HK\$10,000,000 by the Defendants based upon an alleged admission of liability made by the Defendants. The Defendants denied the Plaintiff’s claims and vigorously contested such claims.

The Plaintiff’s claims came before the Honourable Deputy High Court Judge Wilson Chan for trial on 3 to 7, 10 to 13, 18 and 19 November 2014 and Judgment was handed down by the Honourable Deputy High Court Judge Wilson Chan on 29 January 2015 (“the Judgment”). By the Judgment, the Honourable Deputy High Court Judge Wilson Chan dismissed all the Plaintiff’s claims with costs to the Defendants.

On 4 March 2015, the Plaintiff served a Notice of Appeal against the Judgement and the Board of the Company was advised that there is no merit in such appeal at all.

- (b) On 14 January 2011, an Originating Summons was issued by Smart Step Holdings Limited (“SSHL”) as the plaintiff against the Company, Inno-Gold Mining Limited (“IGML”) and Dragon Emperor International Limited (“DEIL”). DEIL and IGML were the subsidiaries of the Company until 9 May 2011 when the Company disposed all its interest in them.

In the said case SSHL alleged that Ms. Wong Yuen Yee and Mr. Wong Yao Wing had acted negligently and/or had breached their duties during their time as executives and directors of the Company, DEIL and IGML.

The substantive hearing of this case was adjourned sine die pursuant to the court order dated 15 April 2011, and currently there is no hearing listed for this case. This case remains dormant as at the date of approval of these consolidated financial statements.

- (c) On 30 January 2015 the Securities and Futures Commission (“the Petitioner”) presented a Petition to the High Court under section 214 of the Securities and Futures Ordinance, Cap. 571 (“the Petition”) against the Company and 4 ex-directors of the Company, namely, Wong Yuen Yee, Wong Yao Wing, Robert, Wong Kwok Sing and Lam Shiu San (collectively “the Ex-Directors”). It is the Petitioner’s complains that the Ex-Directors had conducted the business or affairs of the Company in a manner involving misfeasance or misconduct toward the Company, its members or any part of its members and/or unfairly prejudicial to its members or any part of its members.

By the Petition the Petitioner sought an order that the Company shall bring in its name civil proceedings against the Ex-Directors to seek recovery of compensation or loss and damages suffered by the Company as a result of such misfeasance or misconduct or unfairly prejudicial conduct and also disqualification of the Ex-Directors to be director, liquidator, or receiver or manager of any listed or unlisted company in Hong Kong or from taking part in the management of any listed or unlisted company in Hong Kong on such terms and for such periods as the Court shall think fit and/or other reliefs.

The Company has sought independent legal advice on the Petition and the Petition has been scheduled for hearing on 29 April 2015.

The directors, based on legal advice, consider that both proceedings mentioned in paragraph (b) and (c) above do not have any adverse financial impact upon the Company at all. Therefore, no provision in respect of such claims was made in the consolidated financial statements.

The directors, based on legal advice, consider that the case does not have any adverse financial impact upon the Company at all. Therefore, no provision in respect of such claims was made in the consolidated financial statements.

Save as discussed above, no member of the Group is engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group.

AUDIT COMMITTEE

The audit committee was set up on 5 July 2002 with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules. The primary duties of the audit committee (“AC”) are to review and supervise the financial reporting process and internal control system of the Group. As of the date of this interim report, the AC comprises of four members, namely Mr. Lee Ho Yiu, Thomas, Mr. Tse Yuen Ming, Dr. Chan Yiu Wing and Ms. Liu Jianyi, all are being independent non-executive Directors. The Interim Results have been reviewed by the AC, which was of the opinion that the preparation of such results complied with the applicable accounting standards, the Stock Exchange and legal requirements and that adequate disclosures have been made. The AC is chaired by Mr. Lee Ho Yiu, Thomas.

REMUNERATION COMMITTEE

A remuneration committee (“RC”) was set up in July 2008 with written terms of reference to oversee the RC policy and structure for all Directors and senior management. As of the date of this interim report, the RC comprised four members, namely Mr. Lau King Hang, being an executive Director, Mr. Lee Ho Yiu, Thomas, Dr. Chan Yiu Wing and Ms. Liu Jianyi, all being independent non-executive Directors. The role and function of the RC include the determination of the specific remuneration packages of all executive Directors, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of independent non-executive Directors. The RC is chaired by Dr. Chan Yiu Wing.

NOMINATION COMMITTEE

The nomination committee (“NC”) was set up on 18 January 2012 with written terms of references to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy. As at the date of this interim report, the NC comprised of five members, namely Mr. Lau King Hang, being an executive Director, Mr. Lee Ho Yiu, Thomas, Mr. Tse Yuen Ming, Dr. Chan Yiu Wing and Ms. Liu Jianyi, all being independent non-executive Directors. The role and function of the NC include to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships and to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chief executive. The NC is chaired by Ms. Liu Jianyi.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices (“Corporate Governance Code”) as set out in Appendix 15 of the GEM Listing Rules. The Company has applied the principles in the Corporate Governance Code and complied with the code provisions set out in the Corporate Governance Code for the six months ended 31 December 2014.

CHANGES IN INFORMATION OF DIRECTORS UNDER RULE 17.50A(1) OF THE GEM LISTING RULES

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the changes in the information of the Directors since the date of the Annual Report are set out below:

1. Mrs. Kwan Leung Anna has resigned as an independent non-executive Director and members of AC and NC with effect from 13 November 2014;
2. Mr. Tse Yuen Ming has been appointed as an independent non-executive Director and members of AC and NC with effect from 13 November 2014;
3. Mr. Ha Chuen Yeung has been appointed as executive Director with effect from 1 December 2014;

4. Mr. Shih Yau Ting, Jackson has resigned as an executive Director with effect from 14 January 2015;
5. Ms. Lu Di has resigned as an independent non-executive Director, and members of AC and RC with effect from 15 January 2015;
6. Mr. Chen Chuan has resigned as an executive Director and chairman of the Board, authorized representative, compliance officer and chairman of the NC with effect from 23 January 2015;
7. Mr. Ha Chuen Yeung has been appointed as an authorized representative and compliance officer with effect from 23 January 2015;
8. Mr. Lau King Hang has been appointed as an executive Director and members of RC and NC with effect from 16 March 2015;
9. Mr. Ang Wing Fung has resigned as chairman of RC with effect from 16 March 2015;
10. Dr. Chan Yiu Wing has been appointed as an independent non-executive Director, members of AC, NC and chairman of RC with effect from 16 March 2015; and
11. Ms. Liu Jianyi has been appointed as an independent non-executive Director, members of AC, RC and chairman of NC with effect from 16 March 2015.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors as at the date of this interim report, there is sufficient public float of the Company's issued shares as required under the GEM Listing Rules throughout the six months ended 31 December 2014.

PUBLICATION OF INFORMATION ON WEBSITES

This interim report is available for viewing on the website of Stock Exchange at www.hkex.com.hk and on the website of the Company at www.it-holdings.com.hk.

By order of the Board

Ha Chuen Yeung

Executive Director

Hong Kong, 18 March 2015

As at the date of this report, the directors of the Company are:–

Executive Directors:

Mr. Ang Wing Fung
Mr. Ha Chuen Yeung
Mr. Lau King Hang

Independent Non-Executive Directors:

Mr. Lee Ho Yiu, Thomas
Mr. Tse Yuen Ming
Dr. Chan Yiu Wing
Ms. Liu Jianyi